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Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission (A/54/30)*

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

Pursuant to rule 153 of the rules of procedure of the General Assembly, the present statement is submitted detailing the administrative and financial implications of the decisions and recommendations of the International Civil Service Commission on the common system, in particular their implications on the proposed programme budget of the United Nations for the biennium 2000-2001.

* An advance copy of the report of the International Civil Service Commission (A/54/30) was used in the preparation of the present statement.

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I. Introduction

1. The twenty-fifth annual report of the International Civil Service Commission (ICSC)[1] will contain decisions and recommendations with financial implications for the regular budget for the biennium 2000-2001 related to the following issues (the numbers in parentheses refer to paragraphs in the advance copy of the ICSC report):

(a) Conditions of service of staff in the Professional and higher categories: base/floor salary scale and staff assessment scale (paras. 78 and 79);

(b) Conditions of service applicable to the General Service and related categories: survey of best prevailing conditions of employment for the General Service and related categories in Paris (para. 118).

II. Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

2. The General Assembly, in section I.H of its resolution 44/198 of 21 December 1989, established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding base net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America). The base/floor scale was part of an integrated package of measures in which negative classes of post adjustment were eliminated. The base/floor scale is used in the calculation of payments under the mobility and hardship scheme as well as separation payments.[2] Adjustments to this scale have been made, since 1990, on 1 March of every year from 1991 to 1995 and in 1998 and 1999, and on 1 January 1997.

3. The General Schedule salary scale for the United States federal civil service in Washington, D.C., the current comparator, was increased by 3.68 per cent on a gross basis effective 1 January 1999. This amount resulted in a net increase of 3.42 per cent for the comparator officials at the GS-13/GS-14 levels, the reference point for comparisons between the General Schedule and the common system base/floor scale. In accordance with the approved procedures and past practice, this would call for an upward adjustment of the common system salary scale by 3.42 per cent. Therefore, the Commission, in its 1999 annual report, decided to recommend to the General Assembly an upward adjustment by 3.42 per cent of the common system scale, which should be implemented with effect from 1 March 2000. The increase of 3.42 per cent in the base/floor scale for 2000 would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

4. The financial implication for the United Nations common system as a whole as a result of the above-mentioned adjustment of the base/floor scale has been calculated by ICSC as follows:

(a) For duty stations that would fall below the level of the new base/floor: $362,813;

(b) In respect of the mobility/hardship allowance: $2,260,227;

(c) In respect of the scale of separation payments: $513,820.

5. The total annual financial implication for the United Nations common system has been estimated at $3,136,860.

6. The annual financial implication for the United Nations regular budget has been estimated at $941,100.

7. If the base/floor salary scale is adjusted on 1 March 2000, the financial implication for the United Nations regular budget for a 22-month period (1 March 2000 to 31 December 2001) is estimated at $1,725,300.

B. Simplified procedure for revising the staff assessment at the single rate

8. In the process of consolidating post adjustment points into the base/floor scale, the Commission decided to adopt a simplified process to determine the revised net base salaries for staff receiving remuneration at the single rate.

9. The staff assessment scale used in conjunction with the base/floor salary scale would be simplified. Losses and gains in salaries for those receiving remuneration at the single rate would be eliminated.

10. The Commission estimated that, using the revised procedure, the staff assessment generated from the salaries of staff at the Professional and higher categories in all organizations would be $354.87 million per annum, an increase of less than 0.08 per cent over the $354.58 million estimated under the current procedure. Accordingly, the financial implications for the United Nations regular budget would be negligible and would be offset by an equivalent amount under income section 1, Staff assessment, of the regular budget.

III. Conditions of service of staff in the General Service category and other locally recruited staff

11. ICSC reviewed the methodologies for the surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations. In its resolution 52/216 of 22 December 1997, the General Assembly endorsed the Commission's recommendations for refinements and modifications to the methodologies.

12. On the basis of the revised methodology, the Commission conducted a survey of best prevailing conditions of service for the General Service and other locally recruited categories of staff in Paris, with a reference date of April 1999. The results of that survey indicated that salaries in the outside market were on average 6.5 per cent lower than those of the United Nations common system staff. However, the Commission also noted that there had been considerable changes in the French taxation system that affected the purchasing power of French civil servants. The Government of France had implemented special measures to make up for the loss of purchasing power of its civil servants. Therefore, the Commission also considered it appropriate to take exceptional measures to address the adverse impact of the above-mentioned changes on the salaries of United Nations staff serving in Paris. The Commission recommended that, following the implementation of the revised salary scale, a one percentage point reduction be made from future interim adjustments so as to ensure the elimination of the exceptional measures, which comprise a 5 per cent adjustment, before the next salary survey in Paris.

13. The proposed salary scale for United Nations system staff serving in Paris is therefore 1.44 per cent lower than the current scale. Without the adjustment to phase in the effects of changes in the French taxation system, the salary scale resulting from the survey would have been approximately 6.5 per cent lower than the current scale. The financial implication of the Commission's decision regarding the phased elimination of the impact of changes in the taxation system was estimated at $1.7 million per annum. With the complete phasing out of the ad hoc measures, the saving would increase to approximately $2.2 million per annum. Therefore, it is expected that minor savings would accrue in the regular budget of the United Nations for the biennium 2000-2001.

IV. Summary

14. The financial implications for the regular budget of the United Nations for the 22-month period from 1 March 2000 to 31 December 2001 arising from the decisions and recommendations of ICSC to the General Assembly are summarized below (in United States dollars).

Remuneration of the Professional and higher categories of staff	
For duty stations that fall below the level of the new base/floor	$199 600
Mobility/hardship scheme	$1 243 100
Separation payments	$282 600
Total	**$1 725 300**

15. Accordingly, the increased requirements under the regular budget resulting from the recommendations and decisions of ICSC have been estimated to be on the order of $1,725,300, net of staff assessment. The additional requirements for the regular budget in the biennium 2000-2001 will be reflected in the recosting of the programme budget proposals prior to determination of the appropriation to be adopted by the General Assembly.

Notes

[1] To be issued as *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 30* (A/54/30).

[2] Ibid., *Forty-fourth Session, Supplement No. 30* (A/44/30), vol. II, paras. 118, 119, 316 and 453 (g).